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December 14, 2004

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: **Ex Parte Communication, Developing Unified Intercarrier
Compensation Regime, CC Docket 01-92**

Dear Ms. Dortch:

The undersigned counsel for the Intercarrier Compensation Forum ("ICF") delivered the attached information to Jim Lande of the Wireline Competition Bureau today, at his request. This information models the effect on universal service contribution rates of the ICF's Intercarrier Compensation and Universal Service Reform Plan, including its proposed contribution reforms.

On December 6, 2004, the ICF filed this information for annual Steps 1 and 5 of the ICF Plan. This attachment supplements that filing with similar information for Steps 2, 3, and 4 of the ICF Plan.

Please direct any questions concerning this matter to me at (202) 637-2225.

Very truly yours,

/s/ Richard Cameron

Richard R. Cameron

Preliminary Estimates of the ICF Plan Additional Universal Service Support

		Estimates @Step 1			
\$ Millions	Base Period Access Revenue	Remaining Inter-carrier Payments *	Cumulative Access Shift	Enduser Revenue (Delta SLC)	TNRM / ICRM Support
Non-CRTC	\$ 7,194	\$ 5,560	\$ 1,634	\$ 1,228	\$ 406
CRTC	\$ 2,384	\$ 1,932	\$ 453	\$ 117	\$ 336
TOTAL	\$ 9,578	\$ 7,492	\$ 2,087	\$ 1,345	\$ 742
Increase in High Cost Fund From Changes in Existing High Cost Mechanisms					\$ 300
Lifeline Increases From Higher Primary Residential SLC Rates					\$ 46
Net Settlements -- Not Included In The Base					\$ 38
Grand Total	\$ 9,578	\$ 7,492	\$ 2,087	\$ 1,345	\$ 1,126

*Remaining Inter-carrier Payments for CRTC are understated as EAS / Wireless terminating MOUs are not included in this model

Includes Interconnection Transport, Transit Service Revenue, Termination Rate Revenue, and for CRTC only Terminating Transport Charges.

Preliminary Estimates of the ICF Plan Additional Universal Service Support

		Estimates @Step 2			
\$ Millions	Base Period Access Revenue	Remaining Intercarrier Payments *	Cumulative Access Shift	Enduser Revenue (Delta SLC)	TNRM / ICRM Support
Non-CRTC	\$ 7,194	\$ 3,926	\$ 3,268	\$ 2,510	\$ 758
CRTC	\$ 2,384	\$ 1,479	\$ 906	\$ 231	\$ 675
TOTAL	\$ 9,578	\$ 5,405	\$ 4,173	\$ 2,741	\$ 1,432
Increase in High Cost Fund From Changes in Existing High Cost Mechanisms					\$ 300
Lifeline Increases From Higher Primary Residential SLC Rates					\$ 92
Net Settlements -- Not Included In The Base					\$ 75
Grand Total	\$ 9,578	\$ 5,405	\$ 4,173	\$ 2,741	\$ 1,899

*Remaining Intercarrier Payments for CRTC are understated as EAS / Wireless terminating MOUs are not included in this model

Includes Interconnection Transport, Transit Service Revenue, Termination Rate Revenue, and for CRTC only Terminating Transport Charges.

Preliminary Estimates of the ICF Plan Additional Universal Service Support

		Estimates @Step 3			
\$ Millions	Base Period Access Revenue	Remaining Intercarrier Payments *	Cumulative Access Shift	Enduser Revenue (Delta SLC)	TNRM / ICRM Support
Non-CRTC	\$ 7,194	\$ 2,253	\$ 4,941	\$ 4,022	\$ 919
CRTC	\$ 2,384	\$ 837	\$ 1,547	\$ 345	\$ 1,203
TOTAL	\$ 9,578	\$ 3,090	\$ 6,488	\$ 4,366	\$ 2,122
Increase in High Cost Fund From Changes in Existing High Cost Mechanisms					\$ 300
Lifeline Increases From Higher Primary Residential SLC Rates					\$ 148
Net Settlements -- Not Included In The Base					\$ 113
Grand Total	\$ 9,578	\$ 3,090	\$ 6,488	\$ 4,366	\$ 2,683

*Remaining Intercarrier Payments for CRTC are understated as EAS / Wireless terminating MOUs are not included in this model

Includes Interconnection Transport, Transit Service Revenue, Termination Rate Revenue, and for CRTC only Terminating Transport Charges.

Preliminary Estimates of the ICF Plan Additional Universal Service Support

		Estimates @Step 4			
\$ Millions	Base Period Access Revenue	Remaining Intercarrier Payments *	Cumulative Access Shift	Enduser Revenue (Delta SLC)	TNRM / ICRM Support
Non-CRTC	\$ 7,194	\$ 659	\$ 6,536	\$ 5,491	\$ 1,044
CRTC	\$ 2,384	\$ 573	\$ 1,811	\$ 472	\$ 1,339
TOTAL	\$ 9,578	\$ 1,232	\$ 8,347	\$ 5,963	\$ 2,383
Increase in High Cost Fund From Changes in Existing High Cost Mechanisms					\$ 300
Lifeline Increases From Higher Primary Residential SLC Rates					\$ 200
Net Settlements -- Not Included In The Base					\$ 150
Grand Total	\$ 9,578	\$ 1,232	\$ 8,347	\$ 5,963	\$ 3,033

*Remaining Intercarrier Payments for CRTC are understated as EAS / Wireless terminating MOUs are not included in this model

Includes Interconnection Transport, Transit Service Revenue, Termination Rate Revenue, and for CRTC only Terminating Transport Charges.

Preliminary Estimates of the ICF Plan Additional Universal Service Support

		Estimates @Step 5			
\$ Millions	Base Period Access Revenue	Remaining Inter-carrier Payments *	Cumulative Access Shift	Enduser Revenue (Delta SLC)	TNRM / ICRM Support
Non-CRTC	\$ 7,194	\$ 659	\$ 6,536	\$ 5,778	\$ 757
CRTC	\$ 2,384	\$ 573	\$ 1,811	\$ 566	\$ 1,246
TOTAL	\$ 9,578	\$ 1,232	\$ 8,347	\$ 6,344	\$ 2,003
Increase in High Cost Fund From Changes in Existing High Cost Mechanisms					\$ 300
Lifeline Increases From Higher Primary Residential SLC Rates					\$ 216
Net Settlements -- Not Included In The Base					\$ 150
Grand Total	\$ 9,578	\$ 1,232	\$ 8,347	\$ 6,344	\$ 2,669

*Remaining Inter-carrier Payments for CRTC are understated as EAS / Wireless terminating MOUs are not included in this model

Includes Interconnection Transport, Transit Service Revenue, Termination Rate Revenue, and for CRTC only Terminating Transport Charges.

Preliminary Estimates of USF per unit						
	2004	Step 1	Step 2	Step 3	Step 4	Step 5
Assessment Per Unit Per Month	\$ 1.05	\$ 1.23	\$ 1.31	\$ 1.41	\$ 1.40	\$ 1.34
Revenue (\$ Thousands)						
Baseline --USF	\$ 6,521,269	\$ 6,521,269	\$ 6,521,269	\$ 6,521,269	\$ 6,521,269	\$ 6,521,269
Overlay from the lifting of rural cap	\$ -	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Overlay from Lifeline due to increase in SLC	\$ -	\$ 46,484	\$ 91,950	\$ 148,175	\$ 200,164	\$ 215,893
Net Settlements Not in the base		\$ 37,500	\$ 75,000	\$ 112,500	\$ 150,000	\$ 150,000
ICF Increase to the USF	\$ -	\$ 741,647	\$ 1,432,358	\$ 2,122,005	\$ 2,383,168	\$ 2,002,616
Total USF	\$ 6,521,269	\$ 7,646,900	\$ 8,420,577	\$ 9,203,949	\$ 9,554,601	\$ 9,189,778
	Units					
Category	Dec-03 *	Step 1	Step 2	Step 3	Step 4	Step 5
ILEC **	298,903,000	298,903,000	299,236,333	299,403,000	299,903,000	299,903,000
ILEC Lifeline Subscribers	5,907,789	5,907,789	5,907,789	5,907,789	5,907,789	5,907,789
CLEC	31,699,000	31,699,000	31,699,000	31,699,000	31,699,000	31,699,000
Cellular/PCS ***	107,438,041	107,438,041	123,972,721	132,240,062	157,042,082	157,042,082
Pager Lines	11,208,000	11,208,000	11,208,000	11,208,000	11,208,000	11,208,000
Toll Free Numbers	22,050,182	22,050,182	22,050,182	22,050,182	22,050,182	22,050,182
Special access +	20,814,774	20,814,774	20,814,774	20,814,774	20,814,774	20,814,774
Total Broadband	27,260,834	27,260,834	27,260,834	27,260,834	27,260,834	27,260,834
Total units available (w/o Lifeline)	519,373,831	519,373,831	536,241,845	544,675,851	569,977,872	569,977,872

* For this analysis, Step 1 Units are used for Dec-03.

** Rural ILEC primary line is a full unit. Additional lines are phased in 1/2, 2/3, 3/4, 1.00 over four steps.

*** Primary subscriber is a full unit. Additional subscribers are phased in 1/2, 2/3, 3/4, 1.00 over four steps.

+ Special Access units are weighted (weights are 1, 5, 40, 100 for Tier 1,2,3 and 4, respectively)